

**PROJECT AGREEMENT
FOR THE
AUTOMATED BIOTECHNOLOGY SEQUENCE SEARCH (ABSS)
SYSTEM
FOR
THE UNITED STATES PATENT
AND TRADEMARK OFFICE**

**SOLICITATION NUMBER
52-PAPT-8-00005**

November 21, 1997

**Project Agreement
for the ABSS System
for the
U.S. Patent and Trademark Office**

I. Background & Purpose

The U.S. Patent and Trademark Office (PTO) Scientific and Technical Information Center (STIC) has a need for state of the art computing and information technology products, technical support, and related services to support examination of patent applications associated with molecular biology and genetics for the Automated Biotechnology Sequence Search (ABSS) System. This need is identified as a planned initiative in the PTO's Strategic Information Technology Plan for Fiscal Years 1998-1999. The PTO requires hardware, software, technical support, and related services to fulfill this objective.

In fulfilling this objective, the PTO is utilizing a new streamlined acquisition process described in the document entitled *Department of Commerce Acquisition Process Case for Change*, available at <http://www.conops.doc.gov>. In order to successfully implement this new acquisition process, the Government seeks the cooperation of the vendor community in an effort to conduct business fairly, and in an atmosphere of integrity and openness. The Department encourages the use of Alternative Dispute Resolution procedures to settle any disagreement resulting from the use of this Project Agreement including agency-level protests (see FAR 33.103).

This Project Agreement establishes an understanding among the Project Team ("team"), the Comptroller and Deputy Chief Financial Officer, and the Chief Information Officer, and empowers the team to research, acquire, deploy, and monitor all acquired ABSS software, hardware, and related services. This Project Agreement outlines the project objective, team duties, budget, and high-level milestones for the accomplishment of the project objective, and the ground rules associated with the project.

By utilizing the newly designed streamlined acquisition process initiated by the Department of Commerce to carry out the mission objective to acquire ABSS Systems software, hardware, and related services for PTO, the Project Team hopes to demonstrate the likelihood of achieving acquisition performance targets outlined in this new process. To this end, it is important that the Project Team and offerors work together in a cooperative and pioneering spirit.

II. Authority

This Project Agreement is hereby authorized by the PTO Chief Information Officer (CIO), Dennis R. Shaw. This Project Agreement is a requirement of PTO STIC, the organization tasked with acquiring services to fulfill the PTO's ABSS System requirements.

III. Project Objective

The project objective is threefold:

1. Obtain contractor support to deliver a customized Commercial Off-the-Shelf (COTS) product demonstrating vendor prototype solution(s) for supplementing (including upgrading or complementing) the MasPar component of the ABSS System (See Attachment 1 for a depiction of the existing ABSS System configuration);
2. Test, evaluate, and integrate the prototype solution(s) with assistance from the vendors; and
3. Acquire the best solution(s) considering quality of search results, technology refreshment, ability to expand throughput, and other factors.

As part of STIC, USPTO operates the Automated Biotechnology Sequence Search (ABSS) System. Advances in hardware platforms, software tools, networks and electronic publishing have provided the means for broader automated support for the examiner. Until recently, searches of sequence databases could be conducted with modest equipment, i.e., with upper-end workstations and servers running standard sequence analysis and searching software packages. However, the increasing number of nucleotide and amino acid sequences to be searched has led to the acquisition by STIC of more substantial searching software and hardware including MPSRCH software and three massively parallel computers (MasPars). Acquisition of the first MPSRCH / MasPar was followed by the need (due to the growth in both number of sequence applications and in the number of sequences per application) for the second and third systems. These cutting edge systems represent a considerable investment by the PTO in its efforts to prosecute biotechnology patent applications. However, with the development of more sophisticated automated sequencing tools by vendors, there has been a surge in the volume of sequence claims made per application. While the PTO has recently decided to offset costs by curtailing the number of sequence claims that will be examined per application (from an unlimited number of sequences per application to up to ten per application), the volume and rate at which patent applications

come into the PTO is not likely to decrease. In fact, although the projected average searching time per application will be limited (due to the above noted decision), the number of sequence-bearing patent applications per year will be likely to increase. Searching demands for these applications constitute a substantial increase in demand upon the ABSS system, i.e., an order of magnitude difference which will necessitate a considerable investment by PTO in expansion of the current ABSS system to meet these greater needs. The PTO would like to retain existing ABSS system investments for as long as practical and cost-effective.

IV. Members

Members of this Project Team include a project manager, who has overall authority and responsibility for the successful accomplishment of the project objectives and fulfillment of the terms of this Project Agreement. The selection of other team members has been made on the basis of PTO cross-functional needs. In addition to the project manager, the team includes a warranted procurement official, program representative(s), information technology analysts, and a legal representative.

V. Empowerment

The Chief Information Officer has authorized the team to take all steps necessary for the acquisition and implementation of ABSS Systems support, including the development of an overall project strategy and an acquisition strategy, acquisition and use of enabling technology, and selection of contractor(s). The team will be empowered in this Project Agreement to accomplish the stated objectives, subject only to statutory requirements. No further authorizations will be required. The Senior Procurement Executive for the Department of Commerce has issued an Individual Deviation from the Federal Acquisition Regulation (FAR) for this project, subject only to statutory requirements. A copy of this individual deviation may be seen at <http://www.conops.doc.gov>.

VI. Estimated Budget

The total estimated budget to meet the mission objectives set forth in this Project Agreement is \$3.5 million. Options may be exercised and funded on an as-needed basis, subject to the availability of funds, to support requirements of any resultant contract(s). The estimated budget may be allocated to multiple contracts or internal sources as appropriate.

VII. Milestones

It is the team's goal that contractor selection and resultant initial award or award(s) be made in sufficient time to begin ABSS Systems support initiatives not later than February 1998. A more detailed Statement of Need (SON) containing detailed milestones will be published in time to support this award process. Multiple SONs may be issued depending on responses to this Project Agreement. However, the PTO anticipates responses to this Project Agreement no later than December 10, 1997, a SON issued approximately five weeks later (January 16, 1998); responses to the SON due approximately two weeks after issuance of the SON (January 30, 1998); and evaluations of the responses estimated to be conducted within two weeks (February 12, 1998) after receipt of responses.

VIII. Term and Contract Type

The term of the project begins on the date of this document and concludes after the contract(s) have been awarded, the contractor(s) is/are in place, required services have been provided, and close-out functions are completed. PTO anticipates the period of performance of the contract(s) to be as follows:

Option Period 1	Product Delivery Phase	Mar 01, 1998 - April 30, 1998
Option Period 2	Initial Test, Evaluation and Integration Phase	May 01, 1998 - Jul 31, 1998
Option Period 3	Enhanced Test, Evaluation and Integration Phase	Aug 01, 1998 - Sep 30, 1998
Option Period 4	Acquire ABSS System Solution (First Buy)	First Quarter, FY99 (1 Oct - 31 Dec 1999)

PTO has not determined the type of contract it intends to award for this effort. However, because the PTO considers the material to be acquired to have met the definition of a commercial item as described in FAR Subpart 2.1 – Definitions, the PTO has the option of making all solicitations, evaluations and awards using the procedures prescribed in FAR Part 13, Simplified Acquisition Procedures. It will be the decision by the PTO as to whether the acquisition vehicle will take the form of a simplified procurement or a formal contract. Simplified Acquisition Procedures will require that offerors document that their products and services are commercial items as described in FAR Subpart 2.1 – Definitions. In this document, the term “contract” shall be considered to include Simplified Acquisitions.

IX. Tasks/Duties

The Project Team will publish the notice for the Project Agreement in the Commerce Business Daily (CBD) to ascertain various approaches to achieve the project objective, including assessments of emerging technologies and market capability, and to select those approaches considered capable of this objective. Based upon an initial selection, the Project Team will develop and issue a more detailed SON. The SON will be issued directly to those selected sources whose approaches and cost estimates are considered to be both economically viable and technically capable of meeting the project objective and who are “down-selected” pursuant to the evaluation criteria set forth below in Section X. The Project Team will also be responsible for awarding and administering any resulting contract(s). The Project Team will manage Option Periods 1, 2, and 3, if exercised, on the basis of results and will measure these results against a pre-established baseline. Option Period 4, if exercised, will be measured on the basis of timeliness of product delivery, and other related factors. The Project Team will consult with the contractor(s) as necessary during performance on any resultant contract(s).

X. Ground Rules For the Acquisition/Selection Process

This acquisition will be conducted according to the Concept of Operations (“CONOPS”) as described in *Department of Commerce Acquisition Process Case for Change* (see <http://www.conops.doc.gov>) except as stated herein. At this juncture, the PTO is seeking through this Project Agreement varied concepts and innovative approaches on how to accomplish the project objective. This acquisition is expected to be awarded under Standard Industrial Classification (SIC) Code 3577 on the basis of full and open competition, but small business opportunities may be considered. It is envisioned that individual contractors responding will have capabilities sufficient to accomplish all project objectives. However, final determination for defining discrete acquisitions or the need for multiple awards or SONs will be made upon review of industry response to the Project Agreement. Additionally, the PTO reserves the right to limit the down selection of offerors. Finally, the PTO reserves the right to award a contract at any time during the evaluation process, whether it is during review of the Project Agreement responses or SON responses.

The following steps will be utilized in the selection process.

Step 1. Availability of the Project Agreement on the CONOPS Home Page (<http://www.conops.doc.gov>) will be announced in the CBD. This acquisition will be conducted in accordance with the CONOPS and the FAR except for departmental deviations which have been granted.

Step 2. Offerors who wish to respond to the Government's needs as outlined in this Project Agreement will be requested to submit all documents as defined in Section XI (Summary). Offerors will also be requested to submit statutorily required Representations and Certifications for review by the Government.

Step 3. The Government will conduct an initial down-selection of vendors. The purpose of this initial down-selection is to determine a manageable number of vendors with the greatest opportunity for award. The Government criteria which will be utilized for down-selection are:

1. Brief description of proposed approach(es);
2. Similar experience and past performance;
3. Capability in providing proposed customized COTS products and support services;
4. Resources required to support a contract award; and
5. Overall cost estimate.

The first four elements are of approximately equal weight and together are significantly more important than cost. However, in order for a vendor to be down-selected, there must be a reasonable expectation that project objectives can be achieved within the budget forecast. At this point, offerors who are rated unfavorably will be encouraged to voluntarily withdraw from the selection process. Offerors no longer considered for further evaluation will be promptly notified and, upon request, will be debriefed on the results of the evaluation as requested pursuant to statutory requirements. However, the offerors receiving a debriefing will not be permitted to continue to the next step.

Offerors who fail to submit the information requested in the Project Agreement when first published (i.e., who fail to submit the capability statement and related information) by the due date will not be considered for further evaluation.

For purposes of this stage of the solicitation process, the FAR provisions and clauses applicable to this Project Agreement may be found at <http://www.conopc.doc.gov/dwpafarcla.html>.

Step 4. After any required clarifications with the vendors and initial down-selection, the PTO may conduct open dialog with the remaining vendors. This dialog may be conducted in an open forum and will not be considered proprietary. Information from the dialog may be included in any resultant SON. The Government will issue a SON to those offerors who remain under consideration. The SON will provide more detailed requirements necessary to meet the project objective. Multiple SONs may be issued depending on the capabilities of the remaining vendors to perform the project objective.

Step 5. Those offerors remaining under consideration will be given the opportunity to propose a solution to the SON. Oral presentations of proposals by the vendors may be required by the Government for proposal evaluations. Further instructions on how to respond to the SON will be contained in the SON.

Step 6. Once offerors are selected to propose a solution to meet the Government's SON, the Government intends to utilize "best value" evaluation criteria in selecting an eventual contractor(s). In making the best value selection, the Government is more interested in obtaining superior technical capabilities and innovative approaches than in making an award at the lowest cost. In making this selection, the Project Team will identify and evaluate risks, benefits, and the likelihood of success associated with the winning proposal.

The Project Team may choose to make a further down-selection based upon the evaluation criteria described in Step 3. Offerors no longer considered for further evaluation will be promptly notified and, upon request, will be debriefed on the results of the evaluation pursuant to statutory requirements. However, anyone receiving a debriefing will not be permitted to continue to the next step.

Step 7. Offerors may be asked to propose a model contract to the Government and identify those key personnel who would be assigned to the contract if an award were to be made to the company. These offerors may also be invited to conduct oral discussions on their entire submission to date. If discussions are necessary, they will be conducted per FAR 15.

XI. Summary

Offerors shall be responsible for accessing the web page (<http://conops.doc.gov>) for any changes to the Project Agreement. Offerors are advised to check the web site daily. All changes will be posted at this location. The cut-off date for submission of questions is November 28, 1997.

Offerors are required to submit the following in response to the Project Agreement (see Section XII for more details):

1. Executive Summary (1 original plus 8 copies);
2. Capability Statement (1 original plus 8 copies);
3. Representations and Certifications (1 original);
4. Dun & Bradstreet Past Performance Report (1 copy); and
5. Overall Cost Estimate by Option Period (1 original).

All responses to this Project Agreement must be received no later than 2:00 p.m., Eastern Standard Time, December 10, 1997, in the U.S. Patent and Trademark Office, Office of Procurement, to the attention of Raymond Witmer (please include solicitation number 52-PAPT-8-00005 for this Project Agreement on the outside of the package). Response documents shall be delivered as a single package. Depending on the mode of delivery, offerors' responses should be addressed as follows:

U.S. Mail Service:

U.S. Department of Commerce
Patent and Trademark Office
Office of Procurement
Attn: Raymond Witmer/52-PAPT-8-00005
Box 6
Washington, D.C. 20231

-OR-

Courier or Express Mail Service:

U.S. Patent and Trademark Office
Office of Procurement
Attn: Raymond Witmer/52-PAPT-8-00005
2011 Crystal Drive, Suite 810
Arlington, VA 22202

In summary, offerors shall submit the following in response to this Project Agreement in the format described in Section XII.

XII. Format of Offeror Responses to Project Agreement

The responses shall be submitted in the following manner: in paper form including one (1) original and eight (8) copies, on 3.5" high density disk (original plus one (1) duplicate), formatted for IBM-compatible personal computers, in Microsoft Word 6.0 and formatted for 8 ½ by 11 inch white, untextured paper, single-spaced. Margins shall be one inch on all sides. The type for all documents submitted (including charts and graphs) shall be black, shall not exceed twelve (12) characters per linear inch or be smaller than twelve (12) point, and shall not exceed six (6) lines per vertical inch. Only one (1) original of the Representations and Certifications, one (1) copy of the Dun & Bradstreet Past Performance Report, and one (1) original of the overall cost estimate are required.

The total number of pages for information required by Paragraph 1, Executive Summary, shall not exceed one (1) page. The total number of pages for information required by Paragraph 2, Capability Statement, shall not exceed twenty-five (25) pages. Within this twenty-five (25) page total, information required by Paragraph 2C is limited to three (3) pages. The information required by Paragraphs 2A, 2B, 2D, and 2E, should be provided on the remaining pages. In addition to the Executive Summary and Capability Statement, submissions should include one (1) original Representations and Certifications, one (1) copy of the Dun and Bradstreet Past Performance Report, and one (1) original of the Overall Cost Estimate which shall not exceed three (3) pages.

1. Executive Summary (1 page)

2. Capability Statement (25 pages)

Capability Statements shall be comprised of the five (5) sections provided below.

A. Corporate Information

Offerors shall provide a brief history of the company, including corporate infrastructure and resources.

B. Brief Description of Proposed Approach(es)

The offeror shall provide a brief description of their proposed overall approach(es) to fulfilling the Project Objective. Offerors are encouraged to provide relevant yet innovative approaches in providing the ABSS system solution. More than one approach may be described.

C. Similar Experience and Past Performance (limited to 3 of the 25 page limit)

Offerors shall provide past performance information for all previous state of the art computing and information technology contracts, especially those supporting molecular biology and genetics and in the mathematical science area of computational biology (both Government and commercial), performed within the last three (3) years. Offerors shall provide a brief description of the installed product customer base, current name, telephone number, and facsimile number for the points of contact (include the name of the Contracting Officer and Contracting Officer's Technical Representative for Government contracts); the period of performance; the contract type; and estimated contract value. In addition, offerors shall indicate for each contract: whether they were the prime contractor or subcontractor; and if they were the subcontractor, what aspect and percentage of the work they performed. This information may be provided in a matrix format and shall not exceed three (3) pages of the total twenty-five (25) page limit. If the information will exceed the three (3) page limit, then list the most recent performances that can be provided within three (3) pages.

D. Capability in Providing Proposed COTS Products and Support Services

This section shall demonstrate the offeror's ability to deliver product, technical support, and related services for state of the art computing and information technology, especially those supporting molecular biology and genetics and in the mathematical science area of computational biology to large organizations. As a minimum, offerors shall address the following information:

- 1) Proposed product including product maturity, installed product customer base, product installation and configuration, ease-of-use, product administration, product documentation, product training, and product support.
- 2) Technical support for customer questions and training requirements on such subject areas as system architecture, pre-search interface, sequence alignment, search engine, results output, results file processing, navigation of results, and criteria for limiting results.
- 3) Proposed delivery schedule under Option Period 4 for single or multiple ABSS system buys.

E. Resources Required to Support a Contract Award

The offeror shall demonstrate their experience and ability to:

- 1) Provide skilled personnel; and
- 2) Manage requirements which are the same or similar to those addressed in the Project Objective section of this agreement. The offeror shall provide specific experience and staffing levels in requirements analysis, project management, and subcontractor management.

3. Representations and Certifications

The offeror shall complete and submit with the proposal their Representations and Certifications provided with this Project Agreement at <http://www.conops.doc.gov>.

4. Dun & Bradstreet Past Performance Report

The offeror shall have Dun and Bradstreet prepare a Past Performance Evaluation Report. A sealed Dun and Bradstreet Past Performance Evaluation Report shall be provided by the offeror with the proposal, not later than December 10, 1997, 2:00 p.m. Eastern Standard Time, as required by Section XI, Summary. A copy of the Dun and Bradstreet Order Form for the Past Performance Evaluation Report, with instructions for requesting the report, is provided at <http://www.conops.doc.gov/dw.html> on the same web page as this Project Agreement. Dun and Bradstreet may be contacted at (800) 999-3867 x7862 for additional information. The report will not be considered part of the twenty-five (25) page limit. The offeror shall be responsible for the cost of Dun and Bradstreet's preparation of the report. The total cost is estimated to be \$125.00. Failure to submit the Dun and Bradstreet Past Performance Evaluation Report by the required date and time above may result in PTO's not considering an offeror for award of any resultant contract. Offerors are urged to request this report as soon as possible due to the time required by Dun and Bradstreet to prepare the report. A total of twenty (20) references is requested from the prime offeror.

5. Overall Cost Estimate

The Project Team is seeking unique and innovative cost solutions associated with the vendors' technical approaches in meeting the Project Objective. To this end the offerors shall demonstrate how their cost approach will provide the best overall value to the Government. The offeror shall provide a cost estimate by option period for the approach or solution to meet the Project Objective along with the basis for the estimate. Offerors shall price a single ABSS system solution for Option Period 4. In addition, offerors are requested to propose the type of contract associated with their technical approach. The overall cost estimate shall not exceed three (3) pages.

XIII. Questions and Responses

Questions pertaining to this Project Agreement shall be submitted electronically to Raymond Witmer at ray.witmer@uspto.gov. All questions and answers will be published and made available at <http://www.conops.doc.gov>. Questions must be presented no later than November 28, 1997. Answers are anticipated to be published within seven days from receipt.

ATTACHMENT 1

AUTOMATED BIOTECHNOLOGY SEQUENCE SEARCH (ABSS) SYSTEM

CONFIGURATION

